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NTS Shrinkage Incentive - Calorific Value Shrinkage Baseline for 2014/15

Dear Customer,

The NTS Shrinkage Incentive Methodology sets out the methodology that National Grid in its role as holder of the Gas Transporter Licence in respect of the NTS ("the Licence") employs to calculate specific components within the shrinkage incentive scheme.

The parameters calculated for Formula Year 2014/15 have been published separately in a series of Ex-Ante Baseline Values Statements. These showed the baseline volume of Calorific Value Shrinkage (CVS) as +32GWh. However a discrepancy has been identified in the calculation of this value, and the correctly calculated volume is -7GWh. All other baseline figures remain unchanged.

An updated baseline statement is now published. For the avoidance of doubt, previously published statements for Formula Year 2014/15 will not be amended.

Yours sincerely,

Andrew Smith
Market Operation